1	* * * Property Transfer Tax * * *
2	Sec. 1. 32 V.S.A. § 9602 is amended to read:
3	§ 9602. TAX ON TRANSFER OF TITLE TO PROPERTY
4	A tax is hereby imposed upon the transfer by deed of title to property
5	located in this State, or a transfer or acquisition of a controlling interest in any
6	person with title to property in this State. The amount of the tax equals one
7	and one-quarter percent of the value of the property transferred, or \$1.00,
8	whichever is greater, except as follows:
9	(1) with With respect to the transfer of property to be used for the
10	principal residence of the transferee; the tax shall be imposed at the rate of
11	five-tenths of one percent of the first \$100,000.00 in value of the property
12	transferred and, at the rate of one and one-quarter percent of the value of the
13	property transferred in excess of \$100,000.00; and at the rate of one and three-
14	quarters percent of the value of the property transferred in excess of
15	\$1,000,000.00, except that no tax shall be imposed on the first \$110,000.00 in
16	value of the property transferred if the purchaser obtains a purchase money
17	mortgage funded in part with a homeland grant through the Vermont Housing
18	and Conservation Trust Fund or which the Vermont Housing and Finance
19	Agency or U.S. Department of Agriculture and Rural Development has
20	committed to make or purchase and tax at the rate of one and one-quarter
21	percent shall be imposed on the value of that property in excess of
22	\$110,000.00.
23	(2) [Repealed.]

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

(3) with With respect to the transfer to a housing cooperative organized under 11 V.S.A. chapter 7 and whose sole purpose is to provide principal residences for all of its members or shareholders, or to an affordable housing cooperative under 11 V.S.A. chapter 14, of property to be used as the principal residence of a member or shareholder, the tax shall be imposed in the amount of five-tenths of one percent of the first \$100,000.00 in value of the residence transferred and, at the rate of one and one-quarter percent of the value of the residence transferred in excess of \$100,000.00;, and at the rate of one and three-quarters percent of the value of the property transferred in excess of \$1,000,000.00, provided that the homesite leased by the cooperative is used exclusively as the principal residence of a member or shareholder. If the transferee ceases to be an eligible cooperative at any time during the six years following the date of transfer, the transferee shall then become obligated to pay any reduction in property transfer tax provided under this subdivision, and the obligation to pay the additional tax shall also run with the land.

- (4) With respect to all other transfers by deed of title to property located in this State that are not subject to subdivisions (1) and (3) of this section, the tax shall be imposed at the rate of one and one-quarter percent of the first \$1,000,000.00 in value of the property transferred and at the rate of one and three-quarters percent of the value of the property transferred in excess of \$1,000,000.00.
- (5) The Commissioner shall annually estimate the amount of revenue raised on the value of the property transferred by deed of title in excess of

1	\$1,000,000.00 pursuant to subdivisions (1)–(4) of this section and transfer that
2	same amount to the General Fund established under section 435 of this title.
3	* * * Allocation of Property Transfer Tax Surcharge Revenue * * *
4	Sec. 2. 10 V.S.A. § 312 is amended to read:
5	§ 312. CREATION OF VERMONT HOUSING AND CONSERVATION
6	TRUST FUND
7	There is created a special fund in the State Treasury to be known as the
8	"Vermont Housing and Conservation Trust Fund." The Fund shall be
9	administered by the Board and expenditures therefrom from the Fund shall
10	only be made to implement and effectuate the policies and purposes of this
11	chapter. The Fund shall be comprised composed of 50 percent of the revenue
12	from the property transfer tax under 32 V.S.A. chapter 231, except for the
13	revenue raised on the value of the property transferred by deed of title in
14	excess of \$1,000,000.00 pursuant to 32 V.S.A. § 9602(1)–(4), and any monies
15	from time to time appropriated to the Fund by the General Assembly or
16	received from any other source, private or public, approved by the Board.
17	Unexpended balances and any earnings shall remain in the Fund for use in
18	accord with the purposes of this chapter.
19	Sec. 3. 32 V.S.A. § 435(b) is amended to read:
20	(b) The General Fund shall be composed of revenues from the following
21	sources:
22	* * *

(Draft No. 1.1 – DRAFT PROPERTY TRANSFER TAX)	Page 4 of 4
3/18/2021 - AIS - 09·30 AM	

1	(10)(A) 33 percent of the revenue from the property transfer taxes levied
2	pursuant to chapter 231 of this title and the revenue from the gains taxes levied
3	each year pursuant to chapter 236 of this title; and
4	(B) notwithstanding subdivision (A) of this subdivision (b)(10), all of
5	the revenue raised on the value of the property transferred by deed of title in
6	excess of \$1,000,000.00 pursuant to subdivisions 9602(1)–(4) of this title;
7	* * *
8	* * * Effective Date * * *
9	Sec. 4. EFFECTIVE DATE
10	This act shall take effect on July 1, 2021.